

SENATE RECORD VOTE ANALYSIS

106th Congress
2nd Session

Vote No. 21

March 1, 2000, 5:40 p.m.
Page S-1018 Temp. Record

AFFORDABLE EDUCATION ACT/Strike ESAs, Class Size Reduction

SUBJECT: Affordable Education Act of 1999. . .S. 1134. Murray amendment No. 2821.

ACTION: AMENDMENT REJECTED, 42-56

SYNOPSIS: As introduced, S. 1134, the Affordable Education Act of 1999, will enact numerous tax benefits to improve education, including that it will allow tax-free expenditures from education savings accounts (ESAs) for elementary and secondary school expenses and will increase the maximum annual amount of contributions to such accounts from \$500 to \$2,000.

The Murray amendment would deny the proposed ESA tax relief. The ESA tax relief in this bill will lower Federal taxes on parents who save money for their children's college educations and/or their children's kindergarten through twelfth grade (K-12) educations. Approximately \$1.2 billion in tax relief will be provided through 2003, and educational savings by 14 million families will increase by an estimated \$12 billion over the next 10 years. The Murray amendment would also strike \$1 billion in tax relief over 10 years that would encourage parents to participate in qualified State tuition programs (to save for higher education). After denying this education tax relief, the Murray amendment would authorize \$1.2 billion in new Federal spending in fiscal year 2001 for the teacher hiring program that was created in the omnibus appropriations bill of 1998 as part of a last-minute compromise (see 105th Congress, second session, vote No. 314). Districts with student to teacher ratios above 18 to 1, or in some cases 20 to 1 (only 7 States have ratios above 18 to 1), would be required to use at least 75 percent of the funds for teacher hiring, primarily in the earlier grades (K-3), and could use the remainder for teacher training and testing. Districts with lower student to teacher ratios could get State waivers that would permit greater percentages of the funding to be used for teacher training. Eighty percent of the funds would go to districts based on their poverty levels.

Those favoring the amendment contended:

The need for hiring more teachers in the early grades is very clear. Several recent studies have shown that by giving more

(See other side)

YEAS (42)		NAYS (56)			NOT VOTING (2)	
Republicans (0 or 0%)	Democrats (42 or 93%)	Republicans (53 or 100%)	Democrats (3 or 7%)		Republicans (2)	Democrats (0)
Akaka	Johnson	Abraham	Hutchinson	Byrd	Bond ²	
Baucus	Kennedy	Allard	Hutchison	Lieberman	McCain ²	
Bayh	Kerrey	Ashcroft	Inhofe	Torricelli		
Biden	Kerry	Bennett	Jeffords			
Bingaman	Kohl	Brownback	Kyl			
Boxer	Landrieu	Bunning	Lott			
Breaux	Lautenberg	Burns	Lugar			
Bryan	Leahy	Campbell	Mack			
Cleland	Levin	Chafee	McConnell			
Conrad	Lincoln	Cochran	Murkowski			
Daschle	Mikulski	Collins	Nickles			
Dodd	Moynihan	Coverdell	Roberts			
Dorgan	Murray	Craig	Roth			
Durbin	Reed	Crapo	Santorum			
Edwards	Reid	DeWine	Sessions			
Feingold	Robb	Domenici	Shelby			
Feinstein	Rockefeller	Enzi	Smith, Bob			
Graham	Sarbanes	Fitzgerald	Smith, Gordon			
Harkin	Schumer	Frist	Snowe			
Hollings	Wellstone	Gorton	Specter			
Inouye	Wyden	Gramm	Stevens			
		Grams	Thomas			
		Grassley	Thompson			
		Gregg	Thurmond			
		Hagel	Voinovich			
		Hatch	Warner			
		Helms				

EXPLANATION OF ABSENCE:

1—Official Business
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:

AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

individualized attention to students in their first years in school, student performance can be greatly improved in their later years. For instance, one study in Tennessee of over 7,000 students (the STAR study) found that students who were in small classes in grades one through three did much better academically than their counterparts right through high school. In all honesty, though, we do not think that any Senator should really need studies to know that the fewer students a teacher has the better job that teacher is going to be able to do teaching those students. Everybody understands this common sense proposition.

Everybody also understands that there is no pressing need in America to give rich people a tax break to help them send their children to private and parochial schools, but this bill proposes that we take exactly that action. Making matters worse, this bill would spread the benefit so thinly that the average person getting the benefit would get less than \$7 per year in tax relief.

The Murray amendment would strike the tax benefit in this bill for the wealthy and would invest the savings in hiring more teachers, primarily for teachers serving in poor communities. The choice is clear. We urge the adoption of this amendment.

Those opposing the motion to invoke cloture contended:

The Murray amendment would strike the ESA provisions. Those provisions will encourage American families to save for their children's college and K-12 educations by making the first \$2,000 they save each year for that purpose exempt from Federal taxation. Approximately \$1.2 billion in tax relief will be given through 2003 and educational savings will increase by \$12 billion over the next 10 years. After denying that tax relief, the Murray amendment would authorize \$1.2 billion in new spending on the new Federal program for hiring local school district teachers.

Some Members are openly hostile to this bill's ESA provisions to empower parents (and others who may wish to help, such as grandparents, employers, or unions) to save for their own kids' educations. Their hostility has three bases. First, they are upset that these provisions will allow parents to save for K-12 educational expenses as well as for college expenses. Our colleagues realize that many public schools are failing and dangerous, and they fear that if this proposal passes some parents who have children in such schools might be able to save enough money to get their children out of them and into private schools. Our colleagues do not want that result because public schools are dominated by their close political allies, the teachers unions, and private schools are not. Teachers unions and our colleagues fear that some public schools will close if their students can escape to better schools, and some unionized teachers will then lose their jobs.

The second reason some Members are so hostile to this proposal is that it does not discriminate against religious schools. Parents would be allowed to spend their savings on any educational purposes they wished--they could hire tutors for their kids, they could buy computers, and they could even pay for tuition at parochial schools. Many of our liberal colleagues are aghast at that last possibility because they apparently believe that "separation of church and state" means that the Federal Government cannot give tax relief to Americans (cannot let them keep more of their own money) unless they promise that they will not use it for any purpose that has a religious element to it. We disagree. Our colleagues' interpretation of the separation clause does not call for separation, but active discrimination by the Federal Government against religion.

The third reason our colleagues have for opposing this tax relief is that they say it will benefit the "rich." To make that claim they have ignored several key facts. First, they have ignored the fact that upper-income Americans will not be eligible for the tax relief--it will be phased-out for higher income taxpayers using exactly the same means test that President Clinton proposed (and that they voted for) when the current ESA tax relief program for college savings was put into place. Our colleagues were right the last time that they voted for this means-test--it will ensure that the benefits go not to rich Americans who do not need tax breaks, nor primarily to poor Americans who do not pay taxes and already are eligible for numerous Federal assistance programs (though some poorer Americans will benefit due to contributions from corporations, unions, and others to their children's ESA accounts), but to average, hard-working American families. A second fact our colleagues have studiously ignored is that more than 70 percent of the relief will go to families that make under \$70,000 per year. Those families will spend about half of their \$12 billion in savings on public school expenses and the other half on private school expenses. Our colleagues have implied that anyone who spends money on private schools must be rich, and that therefore the ESA benefits spent on private schooling will benefit only the rich. This defective reasoning overlooks the fact, again, that the means-test will disqualify rich kids from getting any benefits, and it overlooks that, according to the Census Bureau, 60 percent of parents who send their kids to parochial schools earn less than \$40,000 per year and 60 percent of parents who send their kids to other private schools earn less than \$50,000.

After denying tax relief, our colleagues could have proposed using the resulting greater tax revenue to give other tax relief or to pay down the debt. Of course, such ideas rarely occur to liberal Members. Instead, our colleagues have proposed in this amendment to increase Federal spending, just as they have on all the previous amendments they have offered to deny education tax relief. In this case, their proposal--to have the Federal Government pay to hire local public school teachers--is of extremely dubious merit. Nearly all of the evidence shows that reducing average class size does not increase student performance. It is true that as an "everybody knows" argument it has been bought into by most States. In fact, 43 States already have cut their average class sizes to 18 or fewer students, which is the goal of the Murray class-size reduction proposal. Proponents of this amendment act as if having 18 or fewer students will be a panacea that will end the dismal performance of America's public schools--43 States (unfortunately) have already proven them wrong.

Professor Hanushek of the University of Rochester looked at over 300 studies of class size reduction programs and of teacher

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quality programs. He found that class size makes little or no difference, but that the quality of the teacher in the classroom makes a large difference. Even the one major study our colleagues have quoted as supporting their case, the STAR study in Tennessee, found that the quality of the teacher made a much bigger difference than the number of students per class. Between 1955 and 1997, school class size has dropped from 27.4 students per classroom to an average of 17 students per classroom (according to the National Center for Education Statistics). We note that drop has run parallel to a large drop in student performance. We do not believe the drop in performance was caused by the smaller class sizes, but we do believe that this fact further proves the futility of this expensive approach to improving education. Social scientists have known for decades that student performance generally is not harmed until class size rises above 30 students per class, and it is not generally increased until an almost tutorial level of 7 students or fewer per class is reached. They also have known that studies show that having quality teachers--teachers who understand the subject matter and who are proficient in teaching--makes a large difference. Getting quality teachers, though, can be a problem. For instance, in Massachusetts 59 percent of incoming teachers failed the State's basic licensing exam in April, 1998, and 96 percent of them failed when they later retook the test. To us, it seems that the logical thing to do would be to provide training to improve the abilities of existing teachers rather than to hire more unqualified teachers.

The next major reason we have for opposing the Murray amendment and supporting the Gorton amendment is that we support local control of education. Education has always primarily been a local responsibility. The Federal Government pays for only 6 percent of all public education funding (counting nutrition programs). Still, it imposes more than 50 percent of all the administrative paperwork requirements that local schools have. To a large extent the problems that public schools have can be traced to the huge maze of Federal requirements that limit their options. Those requirements have been imposed by liberals in Congress out of a general distrust of local education officials. As Senator Murray condescendingly once put it, giving local officials funds without detailed mandates to control how they spend the money would be like giving a child an allowance without any restrictions, and then that child might spend the money on candy instead of buying school lunches. Republicans have a great deal more respect for local school officials, who have dedicated their entire lives to educating children. We believe that school officials in each district have the best interests of their students at heart, and that each district knows its own needs better than 100 Senators in Washington. We realize that in some districts it may well be the top priority, for good reasons, to hire more teachers. We also realize that in other districts it may be more important to start literacy programs, to buy computer equipment, to repair buildings, to buy textbooks, to provide teacher training, or to engage in other activities to improve education. We think the schools should decide instead of telling every district in the country that we will only give them money if they agree to hire more school teachers.

We have a number of other reasons for opposing the Murray proposal. First, it is harmful for poorer students. When class sizes are reduced, new positions open up in affluent suburban schools. Teachers prefer those positions, so teachers in dangerous, failing inner schools scramble for the new jobs, and the best teachers are picked. Second, it is a very expensive solution. For instance, it costs a lot less to give an existing teacher training to make him or her more effective than it does to hire an additional teacher. Third, the Federal Government should not be starting new education initiatives when it is failing to meet its responsibility to fund existing programs, such as for disabilities education. Fourth, the Federal Government, unlike State Governments, is operating under a huge debt. Most States are in solid financial shape and are running large budget surpluses. Fifth, even though \$1.2 billion is a lot of money for a broke Federal Government to spend, it is not very much money at all when spread out around the country. It is so little, for example, that in Washington State more than half of the school districts (not schools, but districts) did not qualify to get even one teacher with the first year's funding in this program, and the school districts in Missouri qualified, on average, for just 17 percent of a teacher each. The goal may be to hire 100,000 new teachers, but even if reducing class size across the country were necessary hiring 100,000 new teachers would not make much of a difference nationwide.

We favor improving education, and will join with any Senators in developing approaches, and spending money on, solutions that can be shown to be effective. We absolutely will not join in supporting a gimmick solution that is based on no more logic than an "everybody knows" argument. Our colleagues know that this will make great politics. They will be able to brag in their campaigns that they voted to hire 100,000 new teachers. It is a big, round number that sounds good. The voters will never hear the facts that show why it is a waste of money to have the Federal Government hire teachers, so our liberal colleagues do not have to worry about the facts.

The choice offered by the Murray amendment is clear. It would deny 20 million children the education benefits they will receive from ESAs if we give education tax relief benefits to their parents, and in its place it would spend money on an arrogant, gimmick solution under which the Federal Government would ride in to save the day with its latest mandate to "fix" public education. For us the choice is obvious. We strongly oppose the Murray amendment.